Implementation of VAT in States

3328. SHRI A. VIJAYA RAGHAVAN:
SHRI GAYA SINGH: SHRI V.V. RAGHAVAN: SHRI P. PRABHAKAR REDDY: SHRI SANJAY NIRUPAM:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the States are supposed to adopt Value Added Tax (VAT) system from 1st April, 2003 onwards as per the decision on National Development Council Meeting held last year;

(b) if so, the details thereof and the status of above decision as on today;

(c) whether a few States have announced that they are not switching over to VAT;

(d) if so, the details thereof;

(e) whether there is any proposal for new implementation schedule of VAT;

(f) if so, the details thereof; and

(g) the details of revenue loss due to implementation of VAT, if any, State-wise and category-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) As per Entry 54 of List II (State List) of the Seventh Schedule to the Constitution, tax on sale or purchase of goods is a State subject. The States had resolved to implement a Value Added Tax (VAT) system in lieu of Sales Tax System in a Conference of States' Chief Ministers and Finance Ministers held on 16th November 1999. This decision was reiterated in the subsequent meetings of Chief Ministers held on 22nd June 2000 and 5th July 2001. In the Conference of Finance Ministers held on 23rd January, 2002, it was finally resolved to introduce VAT simultaneously in all States and Union Territories (UTs) from 1st April 2003. In the Conference of State Chief Ministers held on 18th October 2002, this resolution was reiterated. This was also reaffirmed at the 50th meeting of the National Development Council held on 21st December

2002. On the recommendations of the Chief Ministers' Conference held on 22nd June 2000, an Empowered Committee of State Finance Ministers was constituted to deliberate and decide on matters relating to implementation of VAT by the States/UTs.

(c) and (d) while no State has formally stated so far that it will not switch over to the Value Added Tax System, only Government of Haryana is reported to have introduced VAT with effect from 01 April, 2003.

(e) and (f) In a meeting of the Empowered Committee of State Finance Ministers held on 8th April, 2003 it has reportedly been decided that 16 States (which includes Haryana) will introduce VAT with effect from 01 June, 2003.

(g) Accurate assessment of loss, if any, on account of introduction of VAT is possible only after its actual implementation by individual States.

Allocation of Kerosene to Uttaranchal

3329. SHRI HARISH RAWAT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the per capita availability and consumption of kerosene oil in Uttaranchal, district-wise and panchayat-wise; and

(b) the details of steps taken or proposed to be taken by Government to increase the allocation of kerosene oil to Uttaranchal?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) and (b) Government makes kerosene allocation to various States/Union Territories for distribution under Public Distribution System (PDS). State Governments/Union Territory Administrations undertake distribution of the product within the concerned State/Union Territory. As per the allocation approved for the year 2003-2004, per capita allocation of kerosene to the State of Uttaranchal is 11.01 Kg per annum.

Exploration of gas in Rajasthan

3330. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the districts in Rajasthan where exploration for petroleum and gas has been taken up after the discovery of petroleum and gas in Barmer district recently;